obligations are sought to be imposed under the TRIPS agreement especially in the area of biotechnology and biodiverse materials; and

(c) if answer to part (b) be in the affirmative then what steps Government are taking to make a combined campaign alongwith other developing and biodiverse materials producing countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) A task force, constituted to work out the modalities to document the traditional knowledge of Ayurveda in the form of a Traditional Knowledge Digital Library in order to prevent patenting of traditional knowledge, has submitted its report. Its implementation is under consideration of the Government.

The Government has introduced the Biological Diversity Bill, 2000 in the Lok Sabha on 15 May, 2000. The broad objectives of this legislation are conservation and sustainable utilisation of biodiversity and equitable sharing of benefits arising out of the use of biological resources and knowledge.

In order to protect bio-resources, the Patents (Second Amendment) Bill, 1999 contains provisions for mandatory disclosure of source and geographical origin of the biological material used in the invention while applying for patents in India. Provisions have also been incorporated to include the non-disclosure or wrongful disclosure of the same as grounds for opposition and for revocation of the patent, if granted. Provisions in this regard are contained in clauses 8, 17 and 28 of the said Bill.

In order to protect traditional knowledge from being patented, provisions have been incorporated in the Patents (Second Amendment) Bill, 1999, to include anticipation of invention by available local knowledge, including oral knowledge, as one of the grounds for opposition as also for revocation of patent. Provisions in this regard are contained in clauses 17 and 28 of the said Bill.

(b) There has been no amendment to the TRIPs Agreement since it was adopted in 1994 as a part of the Uruguay Round Agreement.

(c) Does not arise.

Liberalisation of FDI policy

2974. SHRI YADLAPATI VENKAT RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of decision taken for liberalisation of FDI policy;

(b) if so, the safeguards proposed to protect domestic industry; and

(c) the total foreign exchange likely to be earned by allowing 100 per cent FDI in E-Commerce and removing exports obligations in consumer goods?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) Government, in its commitment towards economic reforms and with the objective of attracting more foreign direct investment has placed all items/activities under the automatic route for 100% Foreign Direct Investment (FDI), Non-Resident Indians (NRI) and Overseas Corporate Body (OCB) investment except the following:

1. All proposals that require an Industrial Licence which include (i) the item requiring an Industrial Licence under the Industries (Development and Regulation) Act, 195 l;(ii) foreign investment being more than 24% in the equity capital of units manfuacturing items reserved for small scale industries; and (iii) all items which require an Industrial Licence in terms of the locational policy notified by Government under the New Industrial Policy of 1991.
2. All proposals in which the foreign collaborator has a previous venture/ tie-up in India.
3. All proposals relating to acquisition of share in an existing Indian company in favour of a foreign/NRI/OCB investor.
4. All proposals falling outside notified sectoral policy/caps or under sectors in which FDI is not permitted and/or whenever any investor chooses to make an application to the FIPB and not to avail of the automatic route.

Government has further permitted FDI upto 100% in oil refinery and Business to.business e-commerce, removed the upper limit of FDI under automatic route for electric generation, transmission and distribution (except Atomic power plants), and done away with the dividend balancing condition in respect of 22 consumer goods industries, since this condition was perceived by the foreign investors as an irritant.

(b) FDI is not considered a threat to an efficient domestic industry. However, while considering FDI proposals, a declartion is obtained from the applicant whether the foreign collaborator has any previous joint venture or technology transfer/trademark agreement in the same or allied field in India, the detailed circumstances in which in is

considered necessary to set up a new joint venture/enter into new technology transfer (including trade mark), and proof that the new proposal would not in any way jeopardise the interest of the existing joint venture or technology/trade mark partner or other stake holders. For induction of Foreign/NRI/OCB equity in an existing Indian company, a copy of the Board Resolution of the Indian company is called for.

(c) The measures have been undertaken with the objective of attracting more FDI to the country and making India a more attractive investment destination. It is difficult to forecast the exact amount of FDI inflow on account of these measures, as investment by the foreign investors depends upon their commercial judgement and factors like availablity of adequate infrastructure.

News-Item Captioned, "Vikas WSP Bloats Export Earning, Profits"

2975. SHRI DARA SINGH CHAUHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the news-item appeared in the Economic Times, dated 7th August, 2000 under the caption "Vikas WSP bloats export earning, profits" regarding inflated turnover and profits by so-called export-oriented enterprise;

(b) if so, the details thereof and the action Government propose to take to safeguard the interests of investors;

(c) whether Government have investigated into the alleged malpractices in the company and discrepancies in shipping bills and excise clearance documents etc.;

(d) if so, the details thereof; and

(e) if not, whether Government propose to institute an inquiry and if so, by when?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) Government has taken note of the news item appeared in the Economic Times, dated 7th August. 2000 under the caption "Vikas WSP bloats export earning, profits," and concerned agencies have been asked to look into the alleged malpractices in the company within the fore corners of law. Investors are also free to approach concerned agencies for enforcement of their rights under law.

(e) Does-not arise.